

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

San Diego Gas & Electric Company,
Complainant,

v.

Docket No. EL00-95-033

Sellers of Energy and Ancillary Services,
Respondents.

Investigation of Practices of the California
Independent System Operator and the
California Power Exchange

Docket No. EL00-98-032

NOTICE OF PROXY PRICE FOR APRIL WHOLESALE
TRANSACTIONS IN THE CALIFORNIA WHOLESALE ELECTRIC MARKET
May 14, 2001

On March 9, 2001, the Commission issued an order establishing a proxy market clearing price approach to estimate total potential refunds or offsets in the ISO and PX markets during January through April 2001.¹ The Commission directed the Director of the Office of Markets, Tariffs and Rates to issue a notice of the proxy market clearing price within 15 days of the end of the calendar month. For the month of April 2001, the proxy market clearing price is \$318/MWh. However, since the California ISO did not call a stage 3 emergency in April 2001, there are no potential refunds or offsets by public utility sellers pursuant to the terms of the March 9 Order.

Following the methodology established by the March 9 order, the proxy price for April is based on:

- (1) a combustion turbine with a heat rate of 18,073/Btu/kWh as reported in the three California investor-owned utilities' 1998 FERC Form No. 1;
- (2) the average reported midpoint natural gas price for "SoCal gas, large pkgs" transactions as reported in Financial Times Energy's "Gas Daily" publication. This price decreased from March to April 2001 from \$14.51/mmBtu to \$13.83/mmBtu;

¹ 94 FERC ¶ 61,245, reh'g pending, (The California PX suspended operations at the end of January 2001.) Note the proxy approach was extended through May 28, 2001 in the Commission's April 26, 2001 order issued in San Diego Gas & Electric Company, et al., Docket No. EL00-95-012, et al., 95 FERC ¶ 61,115 (2001), reh'g pending.

- (3) the average NOx allowance costs from the Southern California Air Quality Management District NOx Auction as reported by Cantor Fitzgerald Environmental Brokerage Services. This cost increased from March to April 2001 from \$18.00/lb. to \$33.27/lb.;
- (4) an average NOx emissions rate of 2 lbs./MWh as reported by public utility sellers; and
- (5) variable O&M costs of \$2/MWh as reported by public utility sellers.

Daniel L. Larcamp
Director, Office of Markets, Tariffs and Rates